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C O N F I D E N T I A L SEOUL 000802

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TAGS: PGOV KS
SUBJECT: PRIME MINISTER UNDER PRESSURE TO RESIGN

Classified By: POL M/C Joseph Y. Yun. Reasons 1.4 (b.d).

¶1. (C) SUMMARY: PM Lee Hae-chan is facing mounting pressure to resign after revelations that he skipped ceremonies marking Independence Movement Day (March 1) in favor of playing golf with businessmen of dubious provenance. Chances that Lee will be able to weather the storm appear to be declining as consistencies emerge about who played golf, who paid for what, and why. Moreover, there appears to have been a resurgence over the weekend of voices within the Uri Party calling for Lee to step down. President Roh has said he intends to decide PM Lee's fate upon his (Roh's) return March 14 from a nine-day trip to Africa. A Blue House aide told us that Roh is reluctant to fire one of his closest political and personal confidants because of his "inappropriate golf." However, with the May 31 regional elections looming, Roh may have no choice but bend to public opinion. END SUMMARY.

¶2. (U) PM Lee Hae-chan's troubles began two weeks ago during a heated interpellation session at the National Assembly, when an opposition lawmaker attacked the PM for choosing golf over attending memorial ceremonies on March 1, which marks the anniversary of the birth in 1919 of the Korean movement for independence from Japan. March 1 this year had also featured a massive railroad strike that crippled the nation's transportation, leading the Grand National Party (GNP) to accuse the PM of taking to the greens at time of national crisis. Lee had responded with characteristic contempt for the GNP, dismissing the line of questioning as "nonsense." The PM's response was met with widespread disapproval by the public and rage by the conservative media, with whom Lee has always had a testy relationship.

¶3. (U) Chastened by overwhelmingly unfavorable public opinion, PM Lee that weekend issued his first apology for the lapse in his judgment. He noted that he intended to discuss his future with President Roh after the latter concluded his March 6-14 visit to Africa. The opposition immediately seized upon that statement as a de facto offer to resign and urged the president to accept it immediately. The ruling Uri Party's leaders noted only that the PM's apology was appropriate, a reaction that some analysts saw as tepid support for PM Lee.

¶4. (C) The Blue House's initial public reaction was to reiterate that Roh would review the situation upon his return. Privately, it moved to tamp down dissension in the Uri Party and otherwise circle the wagons around Lee. A senior Blue House aide told us March 7 that President Roh was opposed in principle to the notion of firing a Cabinet minister, much less the PM, for playing golf on March 1.

Roh's hope was that the controversy would have blown over during the nearly ten days that he would be abroad.

¶ 15. (C) Instead of blowing over, however, the golf scandal snowballed rapidly, as reports emerged that PM Lee had not only played golf on an inappropriate day, but that he had done so with questionable partners, including at least one businessman with a criminal record. That player, Rhyu Won-ki, was also found to be currently under investigation for price fixing. Suspicion intensified further as the PM's Office, the golf club involved, and various players offered differing and contradictory accounts of who had played, who had paid for what, and whether Rhyu had attempted to lobby the PM for help with his current predicament. Finally, reports over the weekend showed that, contrary to PM Lee's previous statements, the group had in fact wagered a total of around USD 400 during the game (although the PM was reported to have given all his earnings to the caddie).

¶ 16. (C) COMMENT: PM Lee responded to this latest revelation by issuing his fourth apology March 13. That apology, however, appears to have done little to assuage public outrage or, perhaps more importantly, prevent a resurgence of grumbling within the Uri Party. Faced with, at best, an uphill battle in the May 31 regional elections, the Uri Party may try to prevail upon President Roh to sacrifice PM Lee Hae-chan for the party's sake. Although Roh's record suggests that he is willing to defy the public and his party in favor of a loyal ally, to do so this time could risk straining his relationship with his party to the breaking point. END COMMENT.

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